

### **REMARKS**

New claim 32 has been added, and claim 30 has been canceled without prejudice or disclaimer. Claims 1-18, 22, and 29 were canceled by prior amendment. Accordingly, claims 19-21, 23-28 and 31-32 are pending in this application.

### **Priority**

Applicants appreciate the Examiner's acknowledgment of the claim for priority and safe receipt of the priority document.

### **35 U.S.C. §112**

Claims 19-21, 23-28 and 30-31 were rejected under 35 U.S.C. §112. In response, Applicants have amended the claims to overcome the rejection. In particular, the language of the claims has been clarified and made more definite, and the interconnections between the cited limitations made more apparent. The changes to the claims are supported in the specification, e.g., at pages 18-22 of the substitute specification filed on February 18, 2004. It is believed that the amended claims are now clear and definite within the statutory requirements of 35 U.S.C. §112. Accordingly, the rejections under 35 U.S.C. §112 should be withdrawn.

**Amendments to the Drawings**

The attached sheet of drawings includes changes to Fig. 5. This sheet replaces the original sheet including Fig. 5. In Fig. 5 previously omitted "Yes" and "No" legends have been added. In addition, an arrow path has been clarified.

Attachments:        Replacement Sheet  
                         Annotated sheet showing changes

**35 U.S.C. §101**

Claims 19-21, 23-28 and 30-31 were rejected under 35 U.S.C. §101. In response, Applicants have amended the claims to overcome the rejection. The claim amendments render the claims fully operative and, as such, the claims provide for a useful process within the meaning set forth in 35 U.S.C. §101. The changes to the claims are supported in the specification, e.g., at pages 18-22 of the substitute specification filed on February 18, 2004. Accordingly, the rejections under 35 U.S.C. §101 should be withdrawn.

**35 U.S.C. §103**

Claims 19-21, 23-28, 30 and 31 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Meisen ("Worldwide Interconnections May Be an Idea Whose Time Has Come") in view of Forrister ("The Kyoto Protocol"). These rejections are traversed as follows.

Under the invention, as recited in claim 1, CO<sub>2</sub> emissions rights are converted in a transaction involving a transmission of electric power across a border between two countries, wherein the first country and the second country each have an integrated CO<sub>2</sub> emissions rights amount. As recited in the method, the integrated CO<sub>2</sub> emissions rights amount of the first country are administrated; the amount of power transmitted from the first country to the second country is measured; the amount of power transmitted is converted into an equivalent CO<sub>2</sub> emissions right value; and the converted equivalent CO<sub>2</sub> emissions right value is integrated into the

integrated CO<sub>2</sub> emissions right amount of the first country. Thus, by this method, responsibility for generation of the equivalent CO<sub>2</sub> emissions right value is attributed to the second country.

The cited reference to Meisen discusses worldwide interconnection of power grids. Meisen teaches that long-distance transmission of electric power can be made reliable and economically successful for delivery of power from remote sites where large renewable energy sources may be found. However, Meisen teaches nothing regarding how the actual exchange of electric power between two countries might actually take place, be accounted for, or otherwise measured or compensated. Thus, in Meisen there is no teaching of converting a measured transmission of electric power into an equivalent CO<sub>2</sub> emissions right value, as taught by the independent claims of the present application. Accordingly, Meisen is only of general interest to the present invention.

Forrester discusses emissions trading as envisioned under the Kyoto Protocol. Thus, Forrester teaches the trading of excess reductions in emissions from a variety of locations, both international and domestic. Forrester further teaches emissions accounts and international emissions trading, whereby firms may engage in the trading of emissions allotments and the banking and borrowing of emissions. However, Forrester teaches no specific means or methods by which emissions trading may be carried out. In particular, there is no teaching in Forrester of measuring an amount of power transmitted from a first country to a second country, and converting the amount of power transmitted into an equivalent CO<sub>2</sub> emissions

right value. While Forrester discusses vague generalities for trading of emissions, there is no teach of converting an amount of transmitted power into an equivalent CO<sub>2</sub> emissions value, as recited in independent claims 19, 23 and 33. Further, the combination of Forrester with Meisen, or any of the other art of record provides no such teaching.

Additionally, there is no teaching in Forrester or Meisen of administering an integrated CO<sub>2</sub> emissions rights amount of a country, and integrating the converted equivalent CO<sub>2</sub> emissions right value derived from a transmission of electric power into the integrated CO<sub>2</sub> emissions right amount of the country, as also recited in claims 19, 23 and 33. Thus, these limitations also render these claims patentable over the cited art.

Further claims 23 and 33 provide for CO<sub>2</sub> administration equipment for administering the integrated CO<sub>2</sub> emissions rights amount of a country. None of the art of record discusses CO<sub>2</sub> administration equipment. Accordingly, these limitations also render these claims patentable over the cited art.

From the foregoing, it is apparent that independent claims 19, 23, and 33 are patentable over the cited references to Forrester and Meisen, and the other art of record, taken either singly, or in combination. Further, the dependent claims claim additional patentable features of the invention, and are also patentable over the art of record.

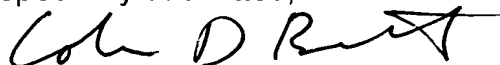
Appl. No. 09/740,988  
Amendment dated April 29, 2005  
Reply to Office Action of December 1, 2005

H-769-02

**Conclusion**

In view of the foregoing, Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Colin D. Barnitz", with a stylized flourish at the end.

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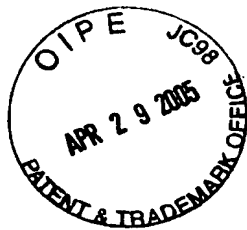


FIG.5

